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TAGS: AORC PREL PGOV AJ  
SUBJECT: GUIDANCE ON UN EITI RESOLUTION

REF: BAKU 442

Classified By: IO A/S James B. Warlick, Acting, reason 1.4(d).

¶1. (C) Reftel informed the Department that the Executive Director of Azerbaijan's State Oil Fund (SOFAZ) Shahmar Movsumov is seeking vocal support from the U.S. for a UN General Assembly resolution on the Extractive Industries Transparency Initiative (EITI). The Department has considered this request and decided that, notwithstanding ongoing efforts to support passage of the resolution in New York, no extraordinary action should be taken to support the resolution, for the reasons below. USUN will continue to quietly urge EITI implementing countries to support the EITI within the G-77, the UN system, and through this resolution (although prospects for resumed negotiations on the resolution remain uncertain).

¶2. (SBU) During informal meetings on the resolution in New York on May 1 and May 8, the Azeri Mission to the UN concluded that some opposition to the resolution stems from a lack of understanding of the EITI process and functions by members of the G-77. Consequently, Executive Director Movsumov intends to travel to New York to brief the G-77. As of May 23, the briefing has been postponed and no date has been set. The Department believes this process should remove any obstacles G-77 members believe are preventing them from supporting the resolution.

¶3. (C) The U.S. Mission to the UN has strongly supported the EITI resolution during informal negotiations and in meetings of the Friends of the EITI. While the GOA may hope more vocal support from the U.S. could persuade other member states into backing the resolution, the Department and USUN believe stronger support from the U.S. could have the undesired effect of attracting negative attention, including criticisms of the U.S. position that are politically motivated, rather than a discussion on the merits of the resolution. The Department believes U.S. support to be well known among member states, and a more public stance should be avoided in order to not provoke confrontation.

¶4. (C) The Peacebuilding Commission (PBC) is examining ways to integrate the work of the EITI into its consideration of strategies for post-conflict peacebuilding and recovery, which we support. The Department and USUN would like the EITI to maintain its relatively low profile in the General Assembly so as not to inhibit or redirect the focus of the PBC in its work. UN missions on the ground in EITI participating countries are quietly providing support for EITI implementation. A divisive General Assembly debate or voting on this resolution could inhibit their work in the future.

¶5. (C) During informal meetings on the resolution, South Africa asked Azerbaijan to explain why the General Assembly -- an intergovernmental body -- should adopt a resolution taken from a non-governmental initiative. This issue was also raised in April, 2008, when developing countries lobbied recently at the UN Conference on Trade and Development

(UNCTAD) against mention of EITI in the final UNCTAD Accra Accord. The G-77 block of developing countries objected to naming the EITI in the Accord, so the compromise reached included a tangential reference to transparency in the extractive industries, requesting UNCTAD to "...assist developing countries, on request, to promote and improve transparency and accountability in the public, private and corporate sectors in order to enable the countries concerned to maximize the benefits that accrue to them from the extractive industries, taking into account, where appropriate, the implementation of relative initiatives on extractive industries;..." (para. 93(a)). While it is unlikely that this concern is going to be easily dismissed by some member states, and disagreement on the issue could lead to the current resolution being voted on or withdrawn, other non-governmental initiatives like the UN Global Compact (see <http://www.unglobalcompact.org>) have managed to lobby effectively to get their organizations mentioned in other UN resolutions. Most recently, the work of the Global Compact was mentioned in the resolution on corruption that was passed in December, 2007 (A/RES/62/202). The Department has put the Mission of Azerbaijan in touch with Georg Kell, the Director of the Global Compact, to promote a joint strategy that could benefit EITI.

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